

## OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◇ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

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sSB-9

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET  
RECOMMENDATIONS FOR GENERAL GOVERNMENT.

### AMENDMENT

LCO No.: 6511

File Copy No.: 642

Senate Calendar No.: 457

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### ***OFA Fiscal Note***

***State Impact:*** See below

***Municipal Impact:*** See Below

### ***Explanation***

**Section 1** reallocates \$3.1 million in American Rescue Plan Act funding and results in to net change in the total award allocated.

**Section 2** allows carryforward funds provided to the Department of Labor to be utilized for indirect overhead costs, in addition to salary and fringe benefit costs. This does not result in any fiscal impact.

**Section 3** changes a reporting date and has no fiscal impact

**Sections 4 and 5** make the following adjustments related the implementation of the activities authorized under PA 21-1 JSS, AAC Responsible and Equitable Regulation of Adult-Use Cannabis. Specifically, the bill:

Extends by one fiscal year the deposit of certain cannabis-related licensing fee and taxes into the cannabis regulatory and investment account. The funds are to be allocated to pay the state costs associated

Primary Analyst: NA

Contributing Analyst(s): DD, ME, CG, EMG, MR, ES, JS, CW, EW

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with the implementation of the certain activities pertaining to the cannabis industry.

Any balance remaining in the fund at the end of FY 23 shall be deposited into the General Fund.

Extends by one fiscal year the deposit of certain cannabis-related licensing fee and taxes into the social equity and innovation account. The funds are to be allocated to pay the state costs associated with the implementation of the certain activities pertaining to the cannabis industry.

At the end of FY 23, \$5 million from the account, or the remainder of the account if there is less than \$5 million shall be transferred to the General Fund. All other funds are to be transferred to the Social Equity and Innovation Fund.

It should be noted that the General Fund is currently funding cannabis-related state agency costs until such time that the cannabis revenues are generated and deposited into these accounts

**Section 6**, which directs the Department of Public Health (DPH) to proportionately adjust certain ambulance rates, has no fiscal impact as it does not change rates for such services paid by the state via Medicaid.

**Section 7** establishes a community ombudsman program within the Office of the Long-Term Care (LTC) Ombudsman, which is an independent office within the Department of Aging and Disability Services (ADS). Funding of \$98,000 and one Ombudsman Supervisor position is provided in the bill to support the program.

**Section 8** modifies and expands an existing homeownership incentive program in Hartford, which may result in a minimal General Fund revenue loss to the extent the geographical expansion results in additional program participants. It also precludes potential municipal revenue losses (given constant mill rates) by eliminating property tax abatements under the program.

**Section 9** waives interest on delinquent property taxes for certain social clubs. This results in a revenue loss in municipalities where such social clubs reside, to the extent that they currently have delinquent property taxes.

**Section 10** expands the type of property in the City of Hartford that is assessed as residential, rather than apartment property. As the residential assessment ratio in the City is lower than the apartment assessment ratio, the bill results in a shift in the City's grand list away from such properties.

**Sections 11 and 12** make a technical change to the name of the Schaghticoke Tribe, which has no fiscal impact.

**Section 13**, combined with **Section 27**, expands the types of school construction projects that are eligible for minimum reimbursements, as compared to the projects eligible under sec. 511 of HB 5506, which is repealed in section 27 of this amendment. To the extent projects are submitted and the statutorily calculated reimbursement rate would be less than the rates indicated, there would be increased costs to the state and increased revenue to involved towns. The impact of new projects on the school construction priority list will be reflected when such projects are considered by the legislature in the future.

**Section 14 and 22** require the State Fire Administrator to pay \$500 to each volunteer fire company that responds to calls on certain highways. HB 5506, the revised FY 23 budget bill, provides a General Fund appropriation of \$1.5 million to the Department of Emergency Services and Public Protection (DESPP) to provide these reimbursements. This section also specifies that municipalities cannot reduce funding to a volunteer fire company due to these reimbursements.

**Section 15** specifies that home and community-based services provider payments disbursed by state agencies with ARPA funding cannot be cost recovered or otherwise offset by those agencies to the extent allowed under federal law. This precludes any savings associated

with such recoveries or offsets.

**Section 16** clarifies the reference to the Substance Use Disorder Waiver Reserve Account line item in DSS, which has no fiscal impact.

**Section 17** makes a technical change and has no fiscal impact.

**Section 18** makes a clarifying change which has no fiscal impact.

**Section 19** makes a technical change and has no fiscal impact.

**Section 20** results in a cost to the Department of Mental Health and Addiction Services (DMHAS) associated with establishing a psychedelic-assisted therapy pilot program to provide qualified patients MDMA-assisted or psilocybin-assisted therapy, as part of a research program approved by the federal Food and Drug Administration (FDA). The pilot program will be administered by a medical school in the state and within available appropriations. The extent of the cost is dependent on available funding, qualified patients, and related costs to administer the pilot program.

**Section 21** makes a technical change which has no fiscal impact.

**Section 23** strikes sections 202 - 206 of HB 5506, the revised budget bill, eliminating the associated cost of those provisions.

**Sections 24 and 25** repeal language in HB 5506, the revised budget bill, related to the home and community based services ombudsman and cost recoveries of ARPA funding. This eliminates the fiscal impact associated with those provisions

**Section 26** repeals the provision of HB 5506, as amended, increasing the Earned Income Tax Credit (EITC) to 41.5% of the federal EITC beginning with the 2023 income year. This eliminates the associated annual revenue loss of \$49 million in FY 24 and beyond.

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*Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*